

SAPC-10446
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MEMORANDUM FOR THE RECORD:

SUBJECT: Definitive Contract No. BC-200, Hycon Manufacturing Company, Pasadena, California - Project [REDACTED] (AQUATONE)

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1. This memorandum contains a recommendation submitted for the approval of the Director of Central Intelligence. Such recommendation is contained in paragraph 7.

2. Definitive Contract BC-200 replaces Letter Contract No. BC-200 which was approved by the Director of Central Intelligence on 28 June 1956, and Amendment No. 1 thereto which provided for an advance payment of \$250,000.00. Amendment No. 1 was approved by the Deputy Director (Support) on 19 July 1956.

3. Letter Contract No. BC-200 provided for the production and delivery of eight "B" cameras of the type previously procured for the project. In addition, it provided for the production and delivery of three "A-2" and three "B" cameras [REDACTED] of the type previously procured for the project.

4. Agency requirements for the "B" cameras have been reduced by 3 units. [REDACTED] however, has increased their requirements by 3 units for the "B" cameras. Therefore, the total number of "B" cameras being procured remains as originally contemplated by the Letter Contract.

5. The definitive contract is a fixed-price-type subject to price redetermination upward or downward upon completion of the work. The target price is [REDACTED] with a ceiling price of [REDACTED]. More realistic estimates of contract costs were realized as decisions were made as to the quantities required for associated equipments, spare parts, ground handling equipment, test equipment, special tools. Also, an additional item for over-haul spares for one year was added. Accordingly, the definitive contract sets forth a ceiling price of [REDACTED] or additional funds in the amount of [REDACTED] to be obligated. The funds for the definitive contract are summarized as follows:

Letter Contract obligated.
FY 56 AQUATONE Funds chargeable
to Project [REDACTED] in the amount
of

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Target Amount of Definitive
Contract chargeable to FY 56
AQUATONE Funds, Project [REDACTED]

Amount for price redetermination
upward, if any, chargeable to
AQUATONE Funds, Project [REDACTED] (14%)

Total of Definitive Contract
for AQUATONE

Amount estimated for Item No. 9
of Schedule I which is not included
in the Definitive Contract but will
be added by Amendment No. 1

Amount available for liquidation of
previous FY 56 obligation

Letter Contract obligated.
Appropriation 21x6889 for
Project [REDACTED] /AF. [REDACTED]

[REDACTED]

Target Amount of Definitive
Contract chargeable to [REDACTED]
Approp.
21x6889

Amount for Price Redetermination
upward, if any, chargeable to
Approp.
21x6889(56%)

Total of Definitive Contract for
[REDACTED]

Additional amount chargeable to
21x6889

6. A memorandum to the Comptroller signed by the Director of Central
Intelligence certified that in accordance with the provisions of Section
10(b) of Public Law No. 110 that a sum not to exceed [REDACTED] was
available for Contract No. BC-200.

7. Approval of Definitive Contract No. BC-200 and execution thereof on behalf of the Agency by the authorized Project Contracting Officer is recommended.

SIGNED

RICHARD M. BISSELL, JR.
SA/PC/DCI - Project Director

CONCURRENCES:

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General Counsel

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 11/16/56
Comptroller

Approval requested in paragraph 7,
above, granted.



DIRECTOR OF CENTRAL INTELLIGENCE

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SA/PC/DCI  pf (10/31/56)

Distribution:

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